

SUMMARY OF LEON COUNTY HFA BOND PROCESS

A variety of financing techniques may be explored. The financial structure is subject to approval by the Financial Advisor to the authority, counsel, and the Authority. The term of the bond issue is subject to negotiation. Interest rates cannot be determined until bond sale. The bond issue is accomplished via the following financing steps:

A. Application State

Applicants submit application package and application fee. Financial advisor performs development feasibility analysis. Authority considers purpose and financial feasibility of development including site control. Authority Board selects from all applicants which will be invited to credit underwriting and subsequent stages of the process.

B. Official Action(subsequent to written application)

Ascertain that Applicant understands and agrees to comply with state, federal and Authority requirements and has supplied all documentation to meet the federal and Leon HFA public policies use of Tax Exempt Bonds and for required TEFRA . The Authority will consider adopting an Official Action resolution. Public hearing advertised. Public hearing held. Authority submits to the Board of County Commission of Leon County for TEFRA approval, submission of private activity bond volume cap request to the state, with priority (if multiple deals) designated by the Authority. Upon adoption of Official Action resolution, Applicant pays good-faith deposit to cover all transactional costs. The good-faith deposit is applied to costs of issuance if the deal closes. If the deal does not close, the good-faith deposit is used to pay all professional and staff costs associated with the application.

C. Pre-Financing Stage

If development is in the planning state, site plan developed and submitted to the appropriate authorities and other development approval processes are put in motion. Review of site plan, architectural design and final construction contract bids perform by construction analysis engineering firms. Credit underwriting is performed by firms under contract with the Authority or its Financial Advisor at the expense of the Applicant, Validations proceedings, if required are commenced. Financing structure (credit enhancement etc.) finalized.

D. Determination of Financial Feasibility

Credit Underwriting Report is received and reviewed by Financial Advisors and Board. If the applicant receives a positive credit underwriting report, and conditions can be

reasonably achieved by the applicant, the Board may provide an approval to continue with the financing process.

If the applicant does not receive a positive credit underwriting report from the third party independent underwriter, the **Board may not approve** the applicant for further consideration. If the report contains conditions that are unachievable the Board may not allow the Applicant to move forward.

If the applicant withdraws their application from further consideration due to issues that are beyond their control but request to be placed on hold while they resolved the noted issues, the Applicant will be required to submit a “resubmittal” back to the credit underwriter to ensure the transaction is still viable.

E. Commencement of Documentation

During the credit underwriting process, Professionals are engaged to document the transaction. This will include Bond Counsel, underwriters, trustees, or any other professional entity that needs to be assigned to carry out the tax exempt bond transaction. All conditions noted by the Credit Underwriter will be documented and will be a condition of the closing.

F. Pre-Closing Stage

Ratings and insurance, as appropriate, are obtained. Documentation finalized. Receipt of Letter from Credit Underwriter that all deal points have been resolved and from Bond Counsel that documents are in substantial final form. Adoption by Authority of Bond Resolution approving documents and authorizes the insurance of Bonds. Bonds underwritten and sold to purchaser(s), subject to all conditions precedent to closing being accomplished.

G. Closing

Closing shall be held at a time and place acceptable to the Authority. Any and all costs and expenses of the Authority incurred in connection with the issuance of the Bonds, including but not limited to the fees and expenses of the Authority’s bond counsel, underwriter and financial advisor shall be paid at closing or such earlier time as outlined herein.

APPLICATION

A. Filing Application

Application for the issuance of Bonds shall be made in the form attached hereto as "Leon Housing Finance Authority, Multifamily Mortgage Revenue Bond Program, 2014 Application". The application (original and 6 copies) must be submitted to the Authority and 2 copies to the financial advisor, at the addresses contained within, and by the deadline established by the Authority, within a Notice of Funding Availability (NOFA). [The application and NOFA are available at the HFA's website, --- ----. \(Exhibit ___\)](#)

B. Expense and Indemnity Agreement

In conjunction with the filing of the application, the Applicant will be required to execute an Expense and Indemnity Agreement, in the form attached hereto as [Exhibit A](#), whereby the Applicant agrees to pay all bond issuance expenses, including, without limitation, the fees and disbursements of the Authority's Bond Counsel, Financial Advisor, underwriters, and any other administrative charges or out-of-pocket expenses which relate to the issue, and to indemnify the Authority and its members, officers, agents, attorneys and employees against any and all claims and liability arising out of the issuance of the bonds.

C. Timely and Complete Filing

The Applicant will be required to file a complete application by the time and date noticed in the Notice of Fund Availability. Failure to comply will result in a rejection of the application.

D. Site Control

The Authority is not involved in site selection, but rather finances developments that are proposed by Applicants. However, location of the proposed development may be a factor utilized by the Authority in its determination of whether to finance the development. Prior to application to the Authority, site control by deed, contract or option is required.